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Iron Ore Offshore Intraday Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Iron Ore Offshore Nov 25 Morning Technical Comment—240 Min Chart Technical

Support		Resistance		Current Price	Bull	Bear
S1	104.65	R1	105.98	104.85	Stochastic oversold	RSI below 50
S2	103.86	R2	106.41			
S3	102.85	R3	107.60			

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is above 50 (47)
- Stochastic is oversold
- Price is below daily pivot level USD 105.98
- Technically bullish on the weekly report on Friday, (this rhetoric is related to the daily chart), we noted that the pullback had held above fractal support with price moving higher, meaning there could still be further bullish sub waves within the higher timeframe wave ((V)). We were moving higher with volume support (but with a lower intensity than that of the previous wave), we also had rising open interest, suggesting fresh longs continued to enter the market. However, we highlighted that above USD 108.05 price would be in divergence with the RSI. Not a sell signal it warned that we could see a momentum slowdown, meaning we had a note of caution on upside breakouts. Technically we were bullish, resistance levels were vulnerable, but open interest did look high, warning this technical was exposed. For this reason, we were cautious on upside moves, and especially cautious on upside breakouts.
- The futures have sold lower on the weak PMI figures, we are below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 105.98 with the RSI at or above 58 will mean price and momentum are aligned to the buyside. Upside moves that failed at or below USD 106.41 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The move below USD 104.46 means the technical is back in bearish territory. The MA on the RSI implies that momentum is weak, whilst the RSI and price are making new lows, warning upside moves have the potential to be countertrend. The futures have reverted back to the intraday 200-period MA (USD 104.73), meaning price is at an inflection point. A close that holds below the average will weaken the technical further; conversely, a close that holds above it will warn we could see another intraday test to the upside int the near-term. We are cautious on upside moves due to the price entering bearish territory, supported by weak momentum.